

Fiscal Note

State of Alaska
2015 Legislative Session

Bill Version:	CSSB 74(STA)
Fiscal Note Number:	16
(S) Publish Date:	4/16/2015

Identifier: SB074CS(STA)-DHSS-MAA-04-14-15
Title: MEDICAID REFORM/PFD/HSAS/ER
USE/STUDIES
Sponsor: KELLY
Requester: Senate Finance Committee

Department: Department of Health and Social Services
Appropriation: Health Care Services
Allocation: Medical Assistance Administration
OMB Component Number: 242

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2016 Appropriation Requested	Included in Governor's FY2016 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2016	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Personal Services	201.2		201.2	201.2	201.2	201.2	201.2
Travel	2.0		2.0	2.0	2.0	2.0	2.0
Services	477.5		477.5	477.5	477.5	477.5	477.5
Commodities	19.2		4.0	4.0	4.0	4.0	4.0
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	699.9	0.0	684.7	684.7	684.7	684.7	684.7

Fund Source (Operating Only)

1002 Fed Rcpts	350.0		342.4	342.4	342.4	342.4	342.4
1003 G/F Match	349.9		342.3	342.3	342.3	342.3	342.3
Total	699.9	0.0	684.7	684.7	684.7	684.7	684.7

Positions

Full-time	2.0		2.0	2.0	2.0	2.0	2.0
Part-time							
Temporary							

Change in Revenues

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Estimated SUPPLEMENTAL (FY2015) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2016) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 10/01/15

Why this fiscal note differs from previous version:

This fiscal note has been updated to reflect the bill sectional identifiers corresponding to the Senate State Affairs Committee Substitute for SB 74.

Prepared By: Margaret Brodie, Director
Division: Health Care Services
Approved By: Sarah Woods, Deputy Director, Finance & Management Services
Agency: Health & Social Services

Phone: (907)334-2520
Date: 04/14/2015 05:00 PM
Date: 04/14/15

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2015 LEGISLATIVE SESSION

Analysis

Section 3 adds a false claims act to law, and authorizes the Department to adopt regulations to assess civil penalties against offending providers, and to refer non-payment cases to the attorney general for prosecution. DHSS would support this Dept. of Law effort via a reimbursable services agreement for a Dept. of Law attorney (\$225.0), a paralegal (\$140.0) and an investigator (\$93.7), per Law's estimates of resources needed for drafting regulations and pursuing actions against violators.

Section 4(c) requires the Department to prepare and submit to the legislature a comprehensive annual report on reform cost savings, results of demonstration projects, and many other parameters that enhance or support Medicaid reform. The Department has determined that it can absorb the cost of preparing this report with its current appropriation. This assumes that the report will be made available on line with notification to the legislature on or before October 15 of each year.

Section 4(a)(4) of the bill directs the Department to enhance Medicaid fraud prevention, detection and enforcement.

Fraud prevention starts with the provider enrollment process. Enhancements to the provider enrollment process include requiring all ordering, rendering or referring providers to be enrolled with the Medicaid program, including all home and community-based waiver and behavioral health rehabilitation providers. In addition to the enrollment requirement, all categories of providers will be assigned a risk level that will be used to determine levels of pre-enrollment screening. Enhancements to the screening process includes pre- and post-enrollment site visits for medium and high risk categories of providers, and requiring background checks as a condition of enrollment.

1 Medical Asst Administrator II, range 18 - \$100.6

1 Research Analyst III, range 18 - \$100.6

FY2016 Personal services total \$201.2

Travel total \$2.0

Lease costs, phone, etc - $\$9.4 \times 2 = \18.8

Office supplies - $\$2.0 \times 2 = \4.0

FY2016 Commodities, ongoing total \$4.0

Computer, software - $\$2.6 \times 2 = \5.2

One-time office set-up - $\$5.0 \times 2 = \10.0

FY2016 Commodities, one-time total \$15.2

Section 7 requires the Departments of Law and Health and Social Services to prepare an annual report on fraud and abuse, and errors in eligibility determinations and payments, and many other parameters that enhance or support Medicaid reform. The Department has determined that it can absorb the cost of preparing this report with its current appropriation. This assumes that the report will be made available on line with notification to the legislature on or before October 15 of each year.